

INTEGRATED SAFEGUARDS DATA SHEET

IDENTIFICATION / CONCEPT STAGE

Report No.: ISDSC17741

Date ISDS Prepared/Updated: 21-Jul-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Albania	Project ID:	P159931
Project Name:			
Team Leader(s):	Bonnie Ann Sirois, Jonida Myftiu		
Estimated Date of Approval:	30-Sep-2016		
Managing Unit:		Lending Instrument:	IPF
Financing (in USD Million)			
Total Project Cost:	1.125	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Free-standing TFs for Albania Country Unit			1.125
Environment Category:	C - Not Required		

B. Project Development Objective(s)

The proposed development objective of the project is to: ➤(develop a road map for public sector accrual accounting implementation and to support the early stages of this reform, including building essential technical skills➤(.

C. Project Description

The proposed project encompasses activities under two broad components:

Component 1 - Development of public sector accounting and financial reporting in line with IPSAS.

Component 1.1: Assessment of the current situation on public accounting will be financed under separate Band Executed TF - P159932 which complements this project. The aim of this activity is to conduct a gap analysis comparing national accounting standards against IPSAS using the World Bank➤(s standardized toolkit (Report on the Enhancement of Public Financial Reporting REPF). The results of this gap analysis will incorporate a roadmap for the further development of national accounting legislation and guidance, taking account of the Albania➤(s needs and capacity constraints.

Component 1.2: Development of public accounting legal and regulatory framework.

Under this component, the project will support the development of public sector accounting standards in accordance with IPSAS in Albania. This component encompasses the following activities: i) translation of IPSAS into Albanian, ii) development and enactment of national accounting legislation, and iii) national level implementation guidance.

Component 1.3: Review and amendment of the national chart of accounts .

This component will include: i) the review, and ii) if needed, the amendment of the national chart of accounts in order to be fully in line with accrual accounting/ budgeting and statistical needs.

Component 1.4: Gradual implementation of international accepted accounting standards in line with IPSAS .

The project will focus on the implementation of the selected set of standards in budget institutions at central government level, and at least one pilot at a subnational government level. The implementation of the new accounting standards comprises both, the technical roll-out as well as training in the use of the new standards, including the generation and interpretation of financial information produced by the new standards. Training needs will be identified at the outset of the program (cf. capacity gap analysis under component 1). Support will also be provided to the MoF staff in leading the reform and address change management within the MoF and other budget institutions.

Component 2 - Development of MoF capacities and of professional accounting skills for public accounting practitioners

Component 2.1: Technical capacity building of the Financial Reporting Unit and Central Harmonization Unit (CHU) at the MoF .

This activity includes: i) defining institutional responsibilities, and ii) setting up a work plan for the newly created Financial Reporting Unit (Treasury) and the CHU.

Component 2.2: Development of professional accounting skills and a sustainable public sector accounting training mechanism .

In order to improve the professional accounting skills and develop local training capacities, the following activities are foreseen under this component: i) training of a selected number of financial officers to obtain an internationally recognized professional qualification certificate, ii) training of a sufficient number of trainers through the train of trainers approach, and iii) institutionalization of a local training and certification program at a local institution to ensure the sustainability of the development of public accounting skills in the long-run. The training foresees a two year training of one cohort (25 students in English) to obtain a professional qualification in IPSAS. Out of this cohort, a maximum of 15 candidates will be selected to receive additional methodological training to become trainers and be able to deliver the training afterwards. A continuous training and certification mechanism will be established and institutionalized at a local institutions. A dedicated working group, comprising all relevant stakeholders, will be established to define the content of the training and prepare the relevant legal framework to regulate training for public accountants in Albania.

In terms of sequencing of the activities, the preparatory work for the implementation, i.e. components 1.1-1.3 will precede the gradual implementation of the new standards under component 1.4. However, capacity building activities (components 2.1 and 2.2) will start immediately, in order to ensure that the localization of the training program can be achieved within project duration. An overview on the sequencing of activities is provided in annex 5.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

E. Borrower's Institutional Capacity for Safeguard Policies

F. Environmental and Social Safeguards Specialists on the Team

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

Appraisal stage ISDS required?: No

IV. APPROVALS

Team Leader(s):	Name: Bonnie Ann Sirois, Jonida Myftiu	
Approved By:		
Safeguards Advisor:	Name: Zeynep Durnev Darendeliler (SA)	Date: 11-May-2016
Practice Manager/Manager:	Name: Soukeyna Kane (PMGR)	Date: 16-May-2016

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.